

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Mail Processing Network Rationalization
Service Standard Changes, 2012

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE NOTICE OF FILING OF
LIBRARY REFERENCES USPS-LR-N2012-1/NP20 AND USPS-LR-N2012-1/NP21
AND APPLICATION FOR NON-PUBLIC STATUS**

In accordance with Rule 31(b)(2), the United States Postal Service hereby
provides notice today that it is filing the following Category 4 Library References today:

USPS-LR-N2012-1/NP20 Facility Data to Run LogicNet Model (no
Depreciation)_NoLinks.mdb In Response To
POIR 2 Question 1 [Non-Public]

USPS-LR-N2012-1/NP21 MODS Workload Data Responsive to POIR 4, Questions1, 3
[Non-Public]

As indicated below, each of these non-public library references corresponds to a
revised public library reference also being filed today:

Non-Public

USPS-LR-N2012-1/NP20
USPS-LR-N2012-1/NP20

Public

USPS-LR-N2012-1/52
USPS-LR-N2012-1/66

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
April 16, 2012

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NONPUBLIC TREATMENT OF LIBRARY REFERENCES

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,¹ the United States Postal Service (Postal Service) hereby applies for nonpublic treatment of certain data filed under seal with the Commission.

The materials covered by this application consist of data that reveal fiscal year 2010 Management Operation Data System (MODS) facility-specific and operation-specific mail volumes for specific Processing & Distribution Centers (or Processing & Distribution Facilities) that are modeled as described in the Direct Testimony of Emily Rosenberg on Behalf of the United States Postal Service (USPS-T-3).

The volume data are reflected in each library reference in the tables designated below:

USPS-LR-N2012-1/NP20 -- MODSFY2010_by_FAC_OP

USPS-LR-N2012-1/NP21 -- MODSFY2010_by_FAC_OP

The volume data are [set to "0"] redacted in the correspondingly named tables in the public versions of each library reference, USPS-LR-N2012-1/NP20 and USPS-LR-N2012-1/NP21, respectively.

By operation of 39 U.S.C. § 410(c)(2), information of a commercial nature, which under good business practice would not be publicly disclosed, is not required to be disclosed to the public. The Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and

¹ PRC Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009.

extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). Because the requested information filed non-publicly in this docket falls within the scope of information not required to be disclosed publicly, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

No useful public version of the response to this question could be produced.

(1) The rationale for claiming that the materials are nonpublic, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

The data designated as nonpublic consist of operational data revealing the volume of mail flowing through specific operations at particular postal processing plants which, under good business practice, would not be disclosed publicly. These data are often product-specific in nature. Based on its long-standing and deep familiarity with postal and communications business and markets generally, and its knowledge of many firms, including competitors, the Postal Service does not believe that any commercial enterprise would voluntarily publish disaggregated volume data that would permit competitors to deduce the relative volume levels associated with particular products within specific markets or delivery areas. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4).²

² In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

None.

(3) A description of the materials claimed to be nonpublic in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are nonpublic;

The responsive data consist of FY 2010 volume data for specific processing operations at particular postal mail processing facilities, each of which serves a specific geographical service area.

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the redacted information or information of a similar character or level of disaggregation were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. This information is clearly commercially sensitive to the Postal Service as a competitor in market for delivery of mailable matter. Revelation of the volume of mail within a particular product originating or delivered within a particular market, as defined by the service area of a specific P&DC or P&DF, would unfairly, to the economic detriment of the Postal Service, permit competitors to:

- gain specific insight into local Postal Service customer behavior;
- better gauge the size of the delivery market in specific service areas,

maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that “likely commercial injury” should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

- develop strategies for determining what marketing resources to devote to further penetration of specific local markets; and
- more keenly determine the direction in which to adjust the prices for their services that compete with postal products.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Identified harm: Public disclosure of the operation-specific volume data in library reference N2012-1/NP20 or NP21 would be used by competitors of the Postal Service to the detriment of the Postal Service.

Hypothetical: A competitor's representative obtains access to the volume data in Library References USPS-LR-N2012-1/NP20 or NP21. It analyzes the data to roughly assess the nature and scale of that portion of the Postal Service's delivery business that consists of First-Class Mail, or Standard Mail or Priority Mail, for example, originating and/or destinating in a particular market in which that competitor operates or seeks to operate. Based upon these data, the competitor assesses the extent to which it wishes to adjust its product offerings, prices, operations and marketing activities to compete for the volume represented by these data. That competitor gains valuable market intelligence without having to make an investment in research. The competitor then can tailor marketing and/or pricing campaigns to acquire customers' business with the consequent loss of volume, revenue and market share to the Postal Service, which has no similar ability to access to data regarding its competitors' volumes.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant markets

for competitive delivery products, as well as their consultants and attorneys.

Additionally, the Postal Service believes that actual or potential customers of the Postal Service for competitive products should not be provided access to the nonpublic materials.

(7) The length of time deemed necessary for the nonpublic materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that nonpublic materials shall lose nonpublic status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the foregoing reasons, the Postal Service requests that the Postal Regulatory Commission grant its application for nonpublic treatment of the above-described materials appearing in library references N2012-1/NP20 and NP21.